

**LOUISIANA
Program Fact Sheet**

January, 2005

Trade Adjustment Assistance (TAA) Program for Shrimp

Under the Trade Adjustment Assistance (TAA) Program, cash benefits and technical benefits are provided to eligible agricultural commodity producers if an increase in imports has contributed importantly to a decline in price, resulting in a drop in net farming or fishing income.

The Foreign Agricultural Service (FAS) has determined, based on a petition on behalf of Louisiana shrimp producers filed by the Louisiana Shrimp Association, that increased imports of shrimp contributed importantly to a decline in prices from January 2003 through December 2003 when compared with the previous 5-year average. Shrimp producers who marketed wild or pond-raised shrimp in Louisiana in 2003 are now eligible to apply for a TAA payment with USDA-Farm Service Agency.

Signup

Signup for a TAA payment on shrimp will continue through April 11, 2005. Applicants must submit completed applications (Form FSA-229) and acceptable production evidence for shrimp sold in Louisiana in calendar year 2003, to the Farm Service Agency (FSA) office which handles programs for the parish where they reside by April 11, 2005.

Eligible Producers

An eligible TAA applicant is a producer who harvested shrimp anywhere and marketed the shrimp in Louisiana in 2003, and shares in the risk of loss. A person is eligible to apply for their share of the production only. Crew members who are paid a fixed amount, such as a header being paid \$12 per box, are not eligible to apply.

All producers applying for TAA benefits must:

By April 11, 2005:

- Submit a completed application (FSA-229).
- Provide 2003 calendar year Louisiana marketing records, such as ship manifest, packers invoice or statement of shrimp catch.
- Provide copy of government issued picture I.D. or driver's license.
- If not a United States citizen, provide a copy of a valid Alien Registration Receipt card.

By July 11, 2005:

- Obtain technical assistance from LSU Extension Service.

By September 30, 2005:

- Provide documentation that net farm or fishing income for the year TAA benefits are requested (2003) are less than the net farm or fishing income for 2002. If net income in 2003 is more than 2002, you will not be eligible to receive a payment.
- Complete and submit applicable payment limitation forms (CCC-502, etc.).
- Complete and submit SF-1199A for direct deposit (voided check required) or FFAS-12 for a hardship waiver request for direct deposit.
- Comply with Highly Erodible Land Conservation/ Wetland Conservation provisions by completing and submitting AD-1026.
- Provide a copy of the "Technical Assistance Certification Form" received from the LSU Cooperative Extension Service.
- Provide documentation that the adjusted gross income (AGI) for the 3 preceding tax years is less than \$2.5 million; or that their AGI is less than 75 percent from farming, ranching, or forestry operations and does not exceed \$2.5 million.

Eligible Production

The quantity of shrimp eligible for payment:

- must be harvested by the applicant; and marketed in Louisiana in calendar year 2003
- must be verified by production evidence, such as ship manifest, packers invoice or statement of shrimp catch.

Payment Rate

The estimated payment rate before pro-ration is 5.6 cents per pound heads-on. It will be multiplied times the number of pounds of shrimp marketed in 2003 times the percent of shares. If TAA applications for ALL 2003 approved commodities nationwide exceed \$90 million, factoring of the payment will be necessary. Payments made to eligible producers will be reported to Internal Revenue Service.

Net Income

Each producer applying for TAA benefits will be required to provide income tax records for 2002 and 2003 to substantiate that farm or fishing net income for 2003 is less than their net farm or fishing income for 2002. If net income in 2003 is more than in 2002, you would not be eligible for a TAA payment.

Net farm income means net farm profit or loss reported on IRS Schedule F (Form 1040) and Form 4835. Net fishing income means net profit or loss reported on IRS Form 1040, Schedules C or C-EZ for individuals, on Form 1120, 1120A or 1120S for corporations, and on Form 1065 for partnerships.

These documents must be submitted to FSA no later than September 30, 2005.

Adjusted Gross Income (AGI)

Each producer applying for TAA benefits on FSA -229 will also be required to certify that either:

- their average AGI for the 3 preceding tax years was \$2.5 million or less
- their average AGI is less than 75 percent from farming, ranching, or forestry operations and does not exceed \$2.5 million

Tax records for 2001 and 2002 may be requested to verify the producer's AGI certification if the operation is selected for spot-check or it is determined by FSA that further verification is needed.

Certification of Technical Assistance from Cooperative Extension Service

All producers applying for TAA benefits are eligible and required to obtain, at no cost, technical assistance from the LSU Extension Service. Technical assistance is mandatory before TAA payments can be issued. This training must be completed by shrimp producers before July 11, 2005. As soon as they are set, the schedule of meetings will be widely publicized and will be posted to the Extension Service's website at <http://www.agrisk.umn.edu/taa/>.

At the conclusion of a workshop, shrimp producers will receive two copies of a "Technical Assistance Certification Form". One copy must be provided to the local FSA office no later than September 30, 2005 and the other should be retained for your records.

Payment Limitation

Each eligible "person" may receive up to a maximum TAA payment of \$10,000 per year. Husbands and wives are considered "one" for payment limitation purposes unless provisions of Handbook 1-PL apply. The amount of the TAA payment combined with the counter-cyclical payments the producer may receive shall not exceed \$65,000 per year.

More Information and Access to Forms

The Form FSA-229 is available at the local Parish FSA Office, or online at <http://forms.sc.egov.usda.gov/> or <http://165.221.16.90/dam/ffasforms/forms.html>.

For more information contact your local Parish FSA Office.

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